



Tax Depreciation Report

82A & 82B Belconnen Way,
Page ACT 2614

Rishi Mengi
Suite 404/33 Lexington
BELLA VISTA, NSW 2153

Issue Schedule	
Issue Date:	Issued by:
24 August 2020	Mark Kilroy Bsc (Hons) MRICS

Rishi Mengi
Suite 404/33 Lexington
BELLA VISTA, NSW 2153

August 2020
Job No: RES2614001

Tax Depreciation Report – 82A & 82B Belconnen Way, Page ACT 2614

We thank you for choosing Koste Pty Ltd to prepare the attached Tax Depreciation report and schedule for the above property.

This report has been prepared to provide an independent review of Tax Depreciation entitlements available on the subject property, under The Income Tax Assessment Act 1997.

Koste Pty Ltd are a registered tax agent (24836767) who comply with the Tax Agent Services Act 2009. The attached schedule is based on an apportionment of the total expenditure, together with the Tax Commissioners current intentions in preparing this document.

As you continue to grow your portfolio, we would be pleased to provide you with free estimates of tax depreciation allowances on purchases. We can also provide updates for \$100+GST on any revised depreciation reports which may include new capital works and write-offs on disposed assets over the coming years.

The majority of our custom is based on repeat customers and from word of mouth. Testimonials are important to our business especially on social media including Google+, LinkedIn and Facebook. If you are pleased with our service and have some time to write a short testimonial on either social media or via an email, this would be greatly appreciated.

If you or your accountant require any further clarification on the contents of this report, please do not hesitate in contacting a member of our team on 1300 669 400 where they would be more than happy to assist.

Yours Sincerely

Koste Pty Ltd

Koste Pty Ltd
Tax Depreciation Quantity Surveyors



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1. Property Information

Date of Report

24 August 2020

Purchaser

Rishi Mengi

Property Address

82A & 82B Belconnen Way, Page ACT 2614

Real Property Description

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Property Type

Residential House

Date of Construction

Pre 1985

Property Photo



2. Report Details

2.1 Introduction

Koste Pty Ltd has prepared an independent Tax Depreciation Schedule for the purchase of the subject property under the Income Tax Act 1997.

We have evaluated and reported the allowances based on the following:

Division 40 (Capital Allowances)

Referred to as Depreciating Assets, identified as assets which can be removed with ease including; Appliances, Furnishings and the like. Koste will identify and provide an analysis using both Diminishing Value and Prime Cost methods of depreciation. All items which have a value less than \$300 will be written off in the first year.

Division 40 (Capital Allowances) - Low Value Pool

Low Cost Assets are depreciating assets which have a cost of between \$300 and \$1,000 at your purchase date. These assets are depreciated at 18.75% in the first year, and 37.5% in each subsequent year.

Division 43 (Capital Works)

Capital works often referred to as Building Allowances entitles the tax payer to a deduction on assessable income producing buildings and other capital works. The opening value of these assets will be calculated on the date of installation; typical assets may include Windows, Doors and Walls.

3. Capital Allowances

3.1 Entitlement

Capital Allowances Division 40 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life. A depreciating asset will deteriorate over the life and will therefore decline in value.

3.2 Qualifying Expenditure Calculation

On a property acquisition, Capital Allowances (Plant and Equipment) are based on a reasonable apportionment of the purchase price relating to qualifying plant under the Income Tax Assessment Act (ITAA) 1977 Section 40 – 195.

3.3 Effective Life

The Commissioner of Taxation provides regular tax rulings which determine the period an asset can be used to produce income. Included within this report is as new effective life rates.

3.4 Immediate Write-Off Assets

A depreciating asset which costs less than \$300 can be immediately written off under Division 40 of ITAA. Please note that this is only applicable to residential property investments.

3.5 Low Value Pool

Assets which have a starting value of between \$300 and \$1000 have been included within the Low Value Pool. These assets are depreciated at 18.75% in the first year and 37.5% for all subsequent years on a diminishing basis.

An asset that has a written down value under \$1000 in following years will be allocated to the low value pool and depreciated at 37.5% using diminishing value method. This method does not apply to assets that were depreciated using the prime cost method in any previous years.

3.6 Method of Depreciation

We provide you with a choice to calculate the decline in value for depreciating assets. Your choice on whether to use Diminishing Value or Prime Cost method of depreciation should be discussed with your accountant. Once a depreciation method is chosen for an asset this cannot be changed.

Diminishing Value Method	Prime Cost Method								
Diminishing value method is often the most popular form of depreciation due to the cash-flow benefits in the early years of asset ownership.	Prime Cost Method of Depreciation, often referred to as straight line depreciation is depreciated at a constant rate each year.								
Benefits	Benefits								
<ul style="list-style-type: none"> • Cash-flow during initial years of asset ownership • Ability to use Low Value Pool for assets less than \$1000 (Note: unable to write off these assets) 	<ul style="list-style-type: none"> • Write off assets when they are demolished or disposed. 								
Calculation Example	Calculation Example								
<p>Under Diminishing Value method, the effective life is dividing by 200.</p> <p>200 / 10 Years = 20% (Adjusted Value)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>	<p>Under Prime Cost method, the effective life is dividing by 100.</p> <p>100 / 10 Years = 10% (Straight Line)</p> <p>If an asset has a value of \$10,000 and an effective life of 10 years the following annual depreciation may be claimed.</p>								
Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
\$2,000	\$1,600	\$1,280	\$1,024	\$819.20	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

4. Capital Works

4.1 Entitlement

Capital Works Division 43 of the Income Tax Act 1997 allows the taxpayer to a deduction of the decline in value of a depreciating asset used for income producing purpose over its effective life.

4.2 Method of Depreciation

Capital Works allowances under Division 43 are based on the historical construction costs and are not based on an apportionment of the purchase price. Where construction costs are not available, a qualified Quantity Surveyor will establish costs in accordance with the Tax Ruling TR97/25.

Capital Works are depreciated by Prime Cost method only, which may vary dependant on the date the construction works commenced and the property usage. Where a property has been updated over the years, capital works expenditure may be allocated in different periods. Clients must make any construction periods clear wherever possible to ensure your claim is maximised.

4.3 Method of Depreciation

Structural improvements such as fencing, paths and other hard landscaping can also be written off at 2.5% per annum if construction started after 27 February 1992.

5. Summary of Entitlements – Diminishing Value Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	9 September 15 to 30 June 16	3,055	1,892	4,947	698	5,645
2	1 July 16 to 30 June 17	2,888	3,429	6,317	867	7,184
3	1 July 17 to 30 June 18	8,986	10,276	19,262	6,259	25,521
4	1 July 18 to 30 June 19	5,451	4,818	10,269	7,846	18,115
5	1 July 19 to 30 June 20	4,404	3,011	7,415	7,846	15,261
6	1 July 20 to 30 June 21	3,216	2,524	5,740	7,846	13,586
7	1 July 21 to 30 June 22	2,292	2,277	4,569	7,846	12,415
8	1 July 22 to 30 June 23	1,691	1,776	3,467	7,846	11,313
9	1 July 23 to 30 June 24	1,360	1,110	2,470	7,846	10,316
10	1 July 24 to 30 June 25	952	1,011	1,963	7,846	9,809
11	1 July 25 to 30 June 26	585	964	1,549	7,846	9,395
12	1 July 26 to 30 June 27	281	954	1,234	7,846	9,080
13	1 July 27 to 30 June 28	224	596	820	7,846	8,666
14	1 July 28 to 30 June 29	0	709	709	7,846	8,555
15	1 July 29 to 30 June 30	0	443	443	7,846	8,289
16	1 July 30 to 30 June 31	0	277	277	7,846	8,123
17	1 July 31 to 30 June 32	0	173	173	7,846	8,019
18	1 July 32 to 30 June 33	0	108	108	7,846	7,954
19	1 July 33 to 30 June 34	0	68	68	7,846	7,914
20	1 July 34 to 30 June 35	0	42	42	7,846	7,888
21	1 July 35 to 30 June 36	0	26	26	7,846	7,872
22	1 July 36 to 30 June 37	0	17	17	7,846	7,863
23	1 July 37 to 30 June 38	0	10	10	7,846	7,856
24	1 July 38 to 30 June 39	0	6	6	7,846	7,852
25	1 July 39 to 30 June 40	0	4	4	7,553	7,557
26	1 July 40 to 30 June 41	0	3	3	6,979	6,982
27	1 July 41 to 30 June 42	0	2	2	6,979	6,981
28	1 July 42 to 30 June 43	0	1	1	6,979	6,980
29	1 July 43 to 30 June 44	0	1	1	6,979	6,980
30	1 July 44 to 30 June 45	0	0	0	6,979	6,979
31	1 July 45 to 30 June 46	0	0	0	6,979	6,979
32	1 July 46 to 30 June 47	0	0	0	6,979	6,979
33	1 July 47 to 30 June 48	0	0	0	6,979	6,979
34	1 July 48 to 30 June 49	0	0	0	6,979	6,979
35	1 July 49 to 30 June 50	0	0	0	6,979	6,979
36	1 July 50 to 30 June 51	0	0	0	6,979	6,979
37	1 July 51 to 30 June 52	0	0	0	6,979	6,979
38	1 July 52 to 30 June 53	0	0	0	6,979	6,979
39	1 July 53 to 30 June 54	0	0	0	6,979	6,979
40	2054+	0	0	0	22,496	22,496
Totals		35,385	36,530	71,915	300,345	372,260

The diminishing value method involves multiplying the remaining amount (or also known as the written down value) of the item by the depreciation rate each year. Hence the term diminishing value method as it diminishes in value each year never quite reaching zero.

Example

	DV Rate	Opening Value	Year 1	WDV	Year 2
Carpet	20%	\$1,000	\$200	\$800	\$160

6. Summary of Entitlements – Prime Cost Method

Year	Financial Year	Effective Life	Pooled Plant	Total Div 40	Division 43	Totals
1	9 September 15 to 30 June 16	1,527	1,892	3,419	698	4,117
2	1 July 16 to 30 June 17	1,895	3,074	4,969	867	5,836
3	1 July 17 to 30 June 18	7,567	10,055	17,621	6,259	23,880
4	1 July 18 to 30 June 19	3,833	4,679	8,512	7,846	16,358
5	1 July 19 to 30 June 20	3,833	2,925	6,758	7,846	14,604
6	1 July 20 to 30 June 21	3,833	1,828	5,661	7,846	13,507
7	1 July 21 to 30 June 22	3,808	1,142	4,951	7,846	12,797
8	1 July 22 to 30 June 23	3,646	714	4,360	7,846	12,206
9	1 July 23 to 30 June 24	3,646	446	4,092	7,846	11,938
10	1 July 24 to 30 June 25	3,646	279	3,925	7,846	11,771
11	1 July 25 to 30 June 26	2,808	174	2,982	7,846	10,828
12	1 July 26 to 30 June 27	2,606	109	2,715	7,846	10,561
13	1 July 27 to 30 June 28	1,047	68	1,115	7,846	8,961
14	1 July 28 to 30 June 29	594	43	637	7,846	8,483
15	1 July 29 to 30 June 30	126	27	153	7,846	7,999
16	1 July 30 to 30 June 31	0	17	17	7,846	7,863
17	1 July 31 to 30 June 32	0	10	10	7,846	7,856
18	1 July 32 to 30 June 33	0	6	6	7,846	7,852
19	1 July 33 to 30 June 34	0	4	4	7,846	7,850
20	1 July 34 to 30 June 35	0	3	3	7,846	7,849
21	1 July 35 to 30 June 36	0	2	2	7,846	7,848
22	1 July 36 to 30 June 37	0	1	1	7,846	7,847
23	1 July 37 to 30 June 38	0	1	1	7,846	7,847
24	1 July 38 to 30 June 39	0	0	0	7,846	7,846
25	1 July 39 to 30 June 40	0	0	0	7,553	7,553
26	1 July 40 to 30 June 41	0	0	0	6,979	6,979
27	1 July 41 to 30 June 42	0	0	0	6,979	6,979
28	1 July 42 to 30 June 43	0	0	0	6,979	6,979
29	1 July 43 to 30 June 44	0	0	0	6,979	6,979
30	1 July 44 to 30 June 45	0	0	0	6,979	6,979
31	1 July 45 to 30 June 46	0	0	0	6,979	6,979
32	1 July 46 to 30 June 47	0	0	0	6,979	6,979
33	1 July 47 to 30 June 48	0	0	0	6,979	6,979
34	1 July 48 to 30 June 49	0	0	0	6,979	6,979
35	1 July 49 to 30 June 50	0	0	0	6,979	6,979
36	1 July 50 to 30 June 51	0	0	0	6,979	6,979
37	1 July 51 to 30 June 52	0	0	0	6,979	6,979
38	1 July 52 to 30 June 53	0	0	0	6,979	6,979
39	1 July 53 to 30 June 54	0	0	0	6,979	6,979
40	2054+	0	0	0	22,496	22,496
Totals		44,415	27,499	71,915	300,345	372,260

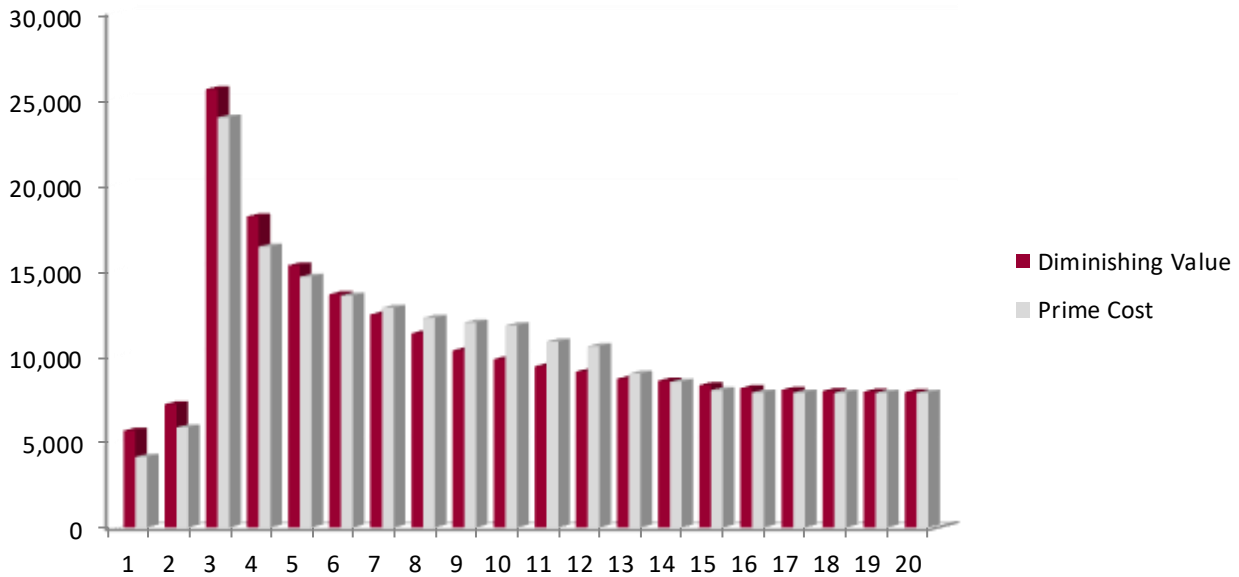
The prime cost method assumes that the item depreciates uniformly over its effective life. It is also known as straight line method and has a lower rate compared to diminishing value method. So the item depreciates at a constant rate until the written down value reaches zero.

Example

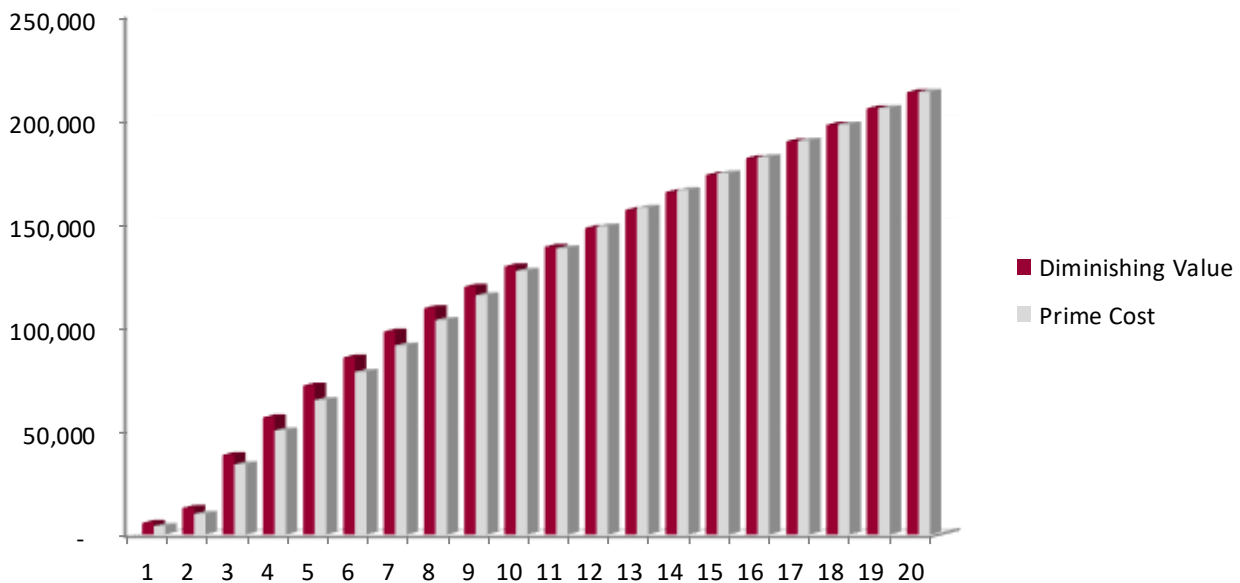
	PC Rate	Opening Value	Year 1	WDV	Year 2
Carpet	10%	\$1,000	\$100	\$900	\$100

7. Comparison Graphs

20 YEAR COMPARISON GRAPH



20 YEAR CUMULATIVE GRAPH



Advantages of using diminishing value method over prime cost method, as can be seen in the 20 year comparison graph, diminishing value method has higher deductions in the first few years. Prime cost method has lower deductions over the first few years, but around the 5-6 year mark starts to give higher deductions and in later years. However cumulatively they equal out at about the 10 year mark. It comes down to whether you want the higher deductions in the first few years or the more evenly spread out deductions approach.

8. Capital Expenditure Analysed

Purchase Details

Contract Date	9 September 2015
Settlement Date	9 September 2015

Expenditure Analysed

Purchase Price	\$540,000
Stamp Duty	\$13,128
Legals	\$1,199
Post Expenditure	\$325,000
Total Expenditure Analysed	\$879,327

Historical Construction Details

Construction Start Date	Pre 1985
Construction Completion Date	Pre 1985
Historical Construction Cost (Estimated)*	N/A

9. Reconciliation of Capital Expenditure

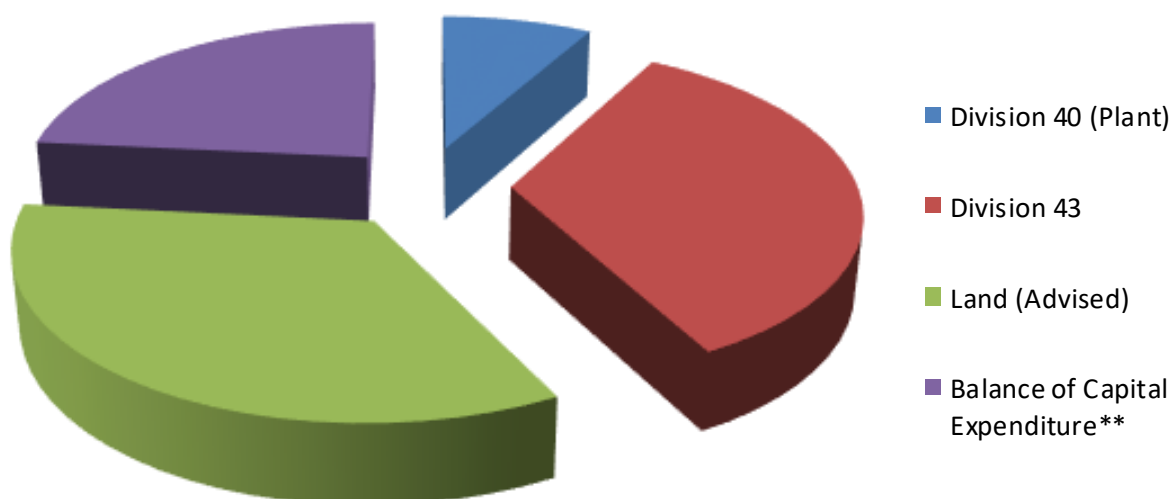
Apportionment of cost relating to:

Division 40 (Plant)	\$71,915
Division 43	\$300,345
Land (Advised)	\$301,147
Balance of Capital Expenditure**	\$205,920
Total Expenditure Analysed	\$879,327

Notes

* The historical construction has been calculated and the eligible qualifying expenditure for the purposes of calculating the Division 43 deductions capital works has been taken from this total by excluding the plant (Division 40) and any non eligible expenditure items

** Balance of capital expenditure comprises the apportionment of all capital works which are ineligible for depreciation or capital allowances



10. Diminishing Value Depreciation Schedule

Assets Generally	Diminishing Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment													
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	9-Sep-15	10,400	1,677	1,745	1,396	1,117	893	715	572	457	366	293
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	9-Sep-15	832	156	254	158	99	62	39	24	15	9	6
Blinds Residential	18.75%	9-Sep-15	2,906	545	886	1,476							
Fire control assets													
Detection & alarm systems, detectors	18.75%	9-Sep-15	305	57	93	58	36	23	14	9	6	3	2
Floor coverings (removable without damage)													
Carpets	20.00%	9-Sep-15	3,585	578	601	2,405							
Furniture	18.75%	9-Sep-15	3,675	689	1,120	700	437	273	171	107	67	42	26
Garbage disposal													
Garbage bins	18.75%	9-Sep-15	222	42	68	42	26	17	10	6	4	3	2
Hot water systems (excluding piping)													
Gas or electric	16.67%	9-Sep-15	2,496	335	360	300	250	208	174	326	204	127	79
Kitchen assets													
Rangehoods	18.75%	9-Sep-15	485	91	148	246							
Stoves	13.33%	9-Sep-15	1,525	164	182	1,180							
Lights													
Shades, removable	18.75%	9-Sep-15	1,664	312	507	845							
Security systems & equipment													
Electronic	30.00%	9-Sep-15	1,248	302	355	222	139	87	54	34	21	13	8
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	20.00%	21-Sep-17	9,888			1,528	1,672	1,338	1,070	856	685	548	438
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	21-Sep-17	659			247	155	97	60	38	24	15	9
Blinds Residential	18.75%	21-Sep-17	4,377			1,641	1,026	641	401	250	157	98	61
Computer systems													
General	18.75%	21-Sep-17	461			173	108	68	42	26	17	10	6
Fire control assets													
Detection & alarm systems, detectors	18.75%	21-Sep-17	580			218	136	85	53	33	21	13	8
Carried forward			45,309	4,947	6,317	12,836	5,201	3,791	2,803	2,281	1,676	1,247	939

Diminishing Value Depreciation Schedule (cont.)

Assets Generally	Diminishing Value Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Division 40 - Plant and Equipment													
Brought forward			45,309	4,947	6,317	12,836	5,201	3,791	2,803	2,281	1,676	1,247	939
Floor coverings (removable without damage)													
Carpets	20.00%	21-Sep-17	4,990		771	844	675	540	432	346	277	221	
Furniture													
	18.75%	21-Sep-17	3,692		1,384	865	541	338	211	132	83	52	
Garage doors, automatic													
Controls	18.75%	21-Sep-17	211		79	49	31	19	12	8	5	3	
Motors	20.00%	21-Sep-17	1,582		244	268	214	321	201	125	78	49	
Garbage disposal													
Garbage bins	18.75%	21-Sep-17	171		64	40	25	16	10	6	4	2	
Hot water systems (excluding piping)													
Gas or electric	16.67%	21-Sep-17	1,978		255	287	239	199	374	234	146	91	
Kitchen assets													
Cooktops	16.67%	21-Sep-17	2,241		289	325	271	226	188	353	221	138	
Dishwashers	20.00%	21-Sep-17	1,582		244	268	214	321	201	125	78	49	
Ovens	16.67%	21-Sep-17	2,900		373	421	351	292	244	203	169	317	
Rangehoods	18.75%	21-Sep-17	1,187		445	278	174	109	68	42	27	17	
Lights													
Shades, removable	18.75%	21-Sep-17	6,071		2,277	1,423	889	556	347	217	136	85	
Pooled Plant Total				1,892	3,429	10,276	4,818	3,011	2,524	2,277	1,776	1,110	1,011
Effective Life Plant Total				3,055	2,888	8,986	5,451	4,404	3,216	2,292	1,691	1,360	952
Total Division 40			71,915	4,947	6,317	19,262	10,269	7,415	5,740	4,569	3,467	2,470	1,963
Division 43 - Capital Works Allowance													
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10
Building Works - Completed 2000	2.50%	09-Sep-15	18,626	613	761	761	761	761	761	761	761	761	761
Building Works - Completed 2017	2.50%	21-Sep-17	270,228			5,220	6,756	6,756	6,756	6,756	6,756	6,756	6,756
Structural Improvements - Completed 2000	2.50%	09-Sep-15	2,587	85	106	106	106	106	106	106	106	106	106
Structural Improvements - Completed 2017	2.50%	21-Sep-17	8,904			172	223	223	223	223	223	223	223
Total Division 43			300,345	698	867	6,259	7,846	7,846	7,846	7,846	7,846	7,846	7,846
Total Depreciation			372,260	5,645	7,184	25,521	18,115	15,261	13,586	12,415	11,313	10,316	9,809

11. Prime Cost Depreciation Schedule

Assets Generally		Prime Cost											
Division 40 - Plant and Equipment	Rate	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	09-Sep-15	10,400	838	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	09-Sep-15	832	156	254	158	99	62	39	24	15	9	6
Blinds Residential	18.75%	09-Sep-15	2,906	545	886	1,476							
Fire control assets													
Detection & alarm systems, detectors	18.75%	09-Sep-15	305	57	93	58	36	23	14	9	6	3	2
Floor coverings (removable without damage)													
Carpets	10.00%	09-Sep-15	3,585	289	358	2,938							
Furniture	18.75%	09-Sep-15	3,675	689	1,120	700	437	273	171	107	67	42	26
Garbage disposal													
Garbage bins	18.75%	09-Sep-15	222	42	68	42	26	17	10	6	4	3	2
Hot water systems (excluding piping)													
Gas or electric	8.33%	09-Sep-15	2,496	168	208	208	208	208	208	208	208	208	208
Kitchen assets													
Rangehoods	18.75%	09-Sep-15	485	91	148	246							
Stoves	6.67%	09-Sep-15	1,525	82	102	1,341							
Lights													
Shades, removable	18.75%	09-Sep-15	1,664	312	507	845							
Security systems & equipment													
Electronic	15.00%	09-Sep-15	1,248	151	187	187	187	187	187	162			
Additional Items (Post Expenditure)				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Air-conditioning assets (excl. ducting, pipes & vents)													
Mini split system upto 20KW	10.00%	21-Sep-17	9,888			764	989	989	989	989	989	989	989
Bathroom assets													
Exhaust fans (including light/heating)	18.75%	21-Sep-17	659			247	155	97	60	38	24	15	9
Blinds Residential	18.75%	21-Sep-17	4,377			1,641	1,026	641	401	250	157	98	61
Computer systems													
General	18.75%	21-Sep-17	461			173	108	68	42	26	17	10	6
Fire control assets													
Detection & alarm systems, detectors	18.75%	21-Sep-17	580			218	136	85	53	33	21	13	8
		Carried forward	45,309	3,419	4,969	12,283	4,448	3,689	3,214	2,893	2,546	2,430	2,358

Prime Cost Depreciation Schedule (cont.)

Assets Generally	Prime Cost	Install Date	Opening Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Division 40 - Plant and Equipment														
	Rate													
Brought forward			45,309	3,419	4,969	12,283	4,448	3,689	3,214	2,893	2,546	2,430	2,358	
Floor coverings (removable without damage)														
Carpets	10.00%	21-Sep-17	4,990			386	499	499	499	499	499	499	499	
Furniture														
	18.75%	21-Sep-17	3,692			1,384	865	541	338	211	132	83	52	
Garage doors, automatic														
Controls	18.75%	21-Sep-17	211			79	49	31	19	12	8	5	3	
Motors	10.00%	21-Sep-17	1,582			122	158	158	158	158	158	158	158	
Garbage disposal														
Garbage bins	18.75%	21-Sep-17	171			64	40	25	16	10	6	4	2	
Hot water systems (excluding piping)														
Gas or electric	8.33%	21-Sep-17	1,978			127	165	165	165	165	165	165	165	
Kitchen assets														
Cooktops	8.33%	21-Sep-17	2,241			144	187	187	187	187	187	187	187	
Dishwashers	10.00%	21-Sep-17	1,582			122	158	158	158	158	158	158	158	
Ovens	8.33%	21-Sep-17	2,900			187	242	242	242	242	242	242	242	
Rangehoods	18.75%	21-Sep-17	1,187			445	278	174	109	68	42	27	17	
Lights														
Shades, removable	18.75%	21-Sep-17	6,071			2,277	1,423	889	556	347	217	136	85	
Pooled Plant Total				1,892	3,074	10,055	4,679	2,925	1,828	1,142	714	446	279	
Effective Life Plant Total				1,527	1,895	7,567	3,833	3,833	3,833	3,808	3,646	3,646	3,646	
Total Division 40				71,915	3,419	4,969	17,621	8,512	6,758	5,661	4,951	4,360	4,092	3,925
Division 43 - Capital Works Allowance														
	Rate		Opening Value	Year 1	Year2	Year 3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	
Building Works - Completed 2000	2.50%	09-Sep-15	18,626	613	761	761	761	761	761	761	761	761	761	
Building Works - Completed 2017	2.50%	21-Sep-17	270,228			5,220	6,756	6,756	6,756	6,756	6,756	6,756	6,756	
Structural Improvements - Completed 2000	2.50%	09-Sep-15	2,587	85	106	106	106	106	106	106	106	106	106	
Structural Improvements - Completed 2017	2.50%	21-Sep-17	8,904			172	223	223	223	223	223	223	223	
Total Division 43			300,345	698	867	6,259	7,846	7,846	7,846	7,846	7,846	7,846	7,846	
Total Depreciation			372,260	4,117	5,836	23,880	16,358	14,604	13,507	12,797	12,206	11,938	11,771	

12. Division 43 Capital Works Schedule

The table below outlines the amount of Division 43 building write-off available for this property. The building write-off is claimed over forty years from the construction date of the works completed and is the remaining value after plant and equipment has been taken out.

Qualifying Building Allowance

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Building Works - Completed 2000	31 Jan 00 to 1 Mar 00	30,452	2.50%	761	18,626
Building Works - Completed 2017	25 Mar 17 to 21 Sep 17	270,228	2.50%	6,756	270,228
Sub-total		300,680		7,517	288,854

Qualifying Structural Improvements

Description	Start and Completion Dates	Historical Cost	Rate	Annual Claim	Opening Value
Structural Improvements - Completed 2000	31 Jan 00 to 1 Mar 00	4,229	2.50%	106	2,587
Structural Improvements - Completed 2017	25 Mar 17 to 21 Sep 17	8,904	2.50%	223	8,904
Sub-total		13,134		329	11,491
Totals		313,814		7,846	300,345

The table below demonstrates the various property types and the depreciation rates for Capital expenditure deductions. Eligibility is based on the date of construction commencement.

	Today - 27 Feb 92	26 Feb 92 - 16 Sept 87	15 Sept 87 - 18 Jul 85	17 Jul 85 - 22 Aug 84	21 Aug 84 - 20 Jul 82	19 Jul 82 - 21 Aug 79
Traveller Accommodation	4%	2.5%	4%	4%	2.5%	2.5%
Non Residential	2.5%	2.5%	4%	4%	2.5%	N/A
Manufacturing	4%	2.5%	4%	4%	2.5%	N/A
Residential	2.5%	2.5%	4%	N/A	N/A	N/A
Structural Improvement	2.5%	N/A	N/A	N/A	N/A	N/A

13. Definition of Terms

Adjusted Value	This is the value of an asset after a period of decline often referred to as the written down value or WDV.
Balancing Adjustment	The balancing adjustment amount is the difference between the termination value and the adjustable value of a depreciating asset at the time of a balancing adjustment event.
Decline in Value	Deductions for the cost of a depreciating asset are based on the decline in value between any two dates. This report includes both methods of the decline in value of a depreciating asset; the prime cost method and diminishing value method.
Depreciating Assets	Assets with limited effective life that are reasonably expected to decline in value.
Diminishing Value Method	This is the method of calculating the decline in value which uses the opening adjusted value as the basis for the calculation.
Effective Life	The effective life of a depreciating asset is how long it can be used by any entity for a taxable income producing purpose.
Immediate WriteOff	A depreciating asset which costs less than \$300 can be immediately written off at 100% of the total cost. This is only available where the asset is not part of a set e.g. table and chairs.
Installed Costs	This is the total cost of installing the asset inclusive of fees and labour etc.
Low Value Pool	Low cost assets which have a value between \$300 and \$1000. These assets are depreciated at 18.75% in the first year and 37.5% in each subsequent years.
Low Cost Asset	A depreciable asset with an installed cost of less than \$1000.
Low Value Asset	A depreciable asset that has an adjusted value of less than \$1000.
Non Eligible	This may include a proportion of the purchase price that is not claimable due to the age of the building or asset type.
Prime Cost Method	This is a method of calculating depreciation using a constant opening cost base often referred to as the "Straight Line" method.

14. Contact Details

COMPANY DETAILS	
Company Name	Koste Pty Ltd
Postal Address	Suite 1, L12/133 Mary Street, Brisbane, Qld 4000
Office Number	1300 669 400
Office Email	info@koste.com.au

LEAD SURVEYOR DETAILS	
Surveyors Name	Mark Kilroy
Tax Agent Number	24370523
Contact Number	1300 669 400
Email	mark@koste.com.au

15. Disclaimer

This report has been prepared for the exclusive use of the parties named within this report, Koste Pty Ltd does not accept any contractual, tortious or other form of liability for any consequences that may arise from any other person acting upon or using this valuation.